

Minutes of the Remuneration Committee Meeting held on 03/12/2018

Location	Present	In Attendance
8 Weymouth Street London W1W 5BU	K Holmes, (Registrar) M Stoner	R Parnaby (Chair) N Zulfiqar
		Apologies: J Singh

Draft- Chair Approved

Note	Action
------	--------

1 Apologies for absence

Apologies were received from Jagtar Singh. It was noted that he had submitted comments on all of the papers in advance.

2 Minutes

The minutes of the 18 May 2018 were approved.

3 Matters Arising

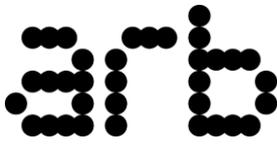
The Committee noted the report and discussed the appointment of the pension's adviser under this item.

It was agreed that the pension's adviser's appointment be extended until December 2019 to assist with the smooth transfer of the old pension scheme from Friends Life to Aviva. It was agreed, however that a tender process be undertaken during 2019, before the appointment of the current adviser expires in December 2019.

4 Registrar's Staffing Report

The Registrar introduced the report highlighting that staff had worked exceptionally hard over the last six months to ensure that the additional workload placed on the organisation had been delivered. It was acknowledged that due to a number of additional workstreams emerging over 2018 which generally required the involvement of the Operational Management Group, a number of the staff team had to provide backfill support to allow sufficient time to be focussed on important tasks that were not reflected in the Business Plan.

The increased spend on recruitment was queried. The Head of Finance and Resources explained that the costs spent in 2018 also included the recruitment of two posts



from 2017, but due to the start date of the recruits being in 2018, the associated costs were paid for in 2018.

The Committee discussed what forms of recruitment had been undertaken during 2018, it was explained that some recruitment had taken place by advertising roles on job boards, other posts had been recruited to using a recruitment agency. The Head of Resources explained that with some roles, requiring specific skills, it was more effective to use a recruitment agency as they would be able to ensure that candidates with the right skills and experience were actively put forward for the post.

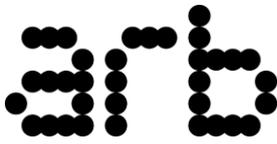
It was noted that during 2018 six members of staff had left ARB, a higher percentage than 2017. The Registrar was asked to give assurance that this figure would reduce for 2019. The Registrar explained that individuals leave the organisation for a range of reasons and whilst she was alive to the concerns of the Committee, she was not able to give an assurance that the number leaving the organisation would reduce partly as ARB is a small organisation with a relatively flat structure, meaning that opportunities for career progression are limited in comparison to larger organisations.

It was however noted that offering a competitive staff pay and reward package which gave the Registrar discretion to award additional pay to individuals taking on additional responsibilities, opportunities for development and a flexible approach to work were important factors in maintaining an engaged and committed workforce.

5 Staff Salary Increment 2019

The Head of Finance and Resources introduced the paper, highlighting that following the removal of the cap on public sector pay award of 1%, guidance had been issued. The guidance explains that the expectation is that those falling under the cap will be able to make average pay awards within the range of 1-1.5%. The guidance acknowledges that departments and other organisations will be able to make awards higher than 1-1.5% dependent on their workforce needs. It was noted that ARB's pay policy is to award an across the organisation pay award at a set rate, whilst acknowledging the other factor of ARB's pay policy, which is to regularly benchmark all roles within the organisation and pay up to 102% of the median for those roles dependent on performance and development. It was noted that the Registrar, within the Scheme of Decision Making has the authority to adjust salaries to ensure they remain competitive and align to ARB's pay policy.

The Committee discussed other evidence within the paper highlighting what other sectors had awarded or were likely to award, including the regulation sector, and



noted that for ARB to remain competitive its pay awards had to be generally in line with the market but not routinely exceed the guidance set out by government. The Committee after careful consideration awarded an increase of 1.5% in 2019 for all staff.

6 Staff incentive Payment 2018

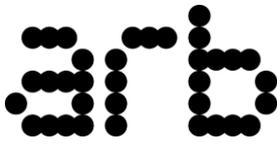
The Registrar introduced the paper highlighting that 2018 had been a demanding year for ARB, with the successful delivery of the majority of the Business Plan and a number of additional pressures on placed on ARB.

The Committee discussed the paper, which identified organisational performance against each of the areas within the 2018 Business Plan and highlighted other areas of work undertaken during the year that had not featured as part of the planned work for 2018. The additional work, included extensive work on preparing for the UK leaving the EU, work on the Hackitt Report and urgent work undertaken to prepare for the earlier than planned commencement date for the soon to be newly constituted Board. As indicated in the Registrar's staffing report, delivering these additional workstreams required support from members of the staff team backfilling business as usual activities generally allocated to OMG members, demonstrating that whilst involvement in these activities was limited to a small number of the team, there was a considerable effort from others within the organisation to ensure that ARB had the resource to manage these key, but largely unforeseen, priorities effectively.

The Registrar commended the staff on their ongoing commitment throughout the year and emphasised the staff's continued engagement in making ARB a success. It was noted that ARB's resourcing model means that it relies upon individual's within the team stepping up and going beyond their job description to ensure that its objectives are delivered, and that the incentive payment plays a role in ensuring that morale is not impacted by these additional requirements. The Committee after careful consideration of the performance against the Business Plan and additional work undertaken made an award of 4% of salary to all eligible staff.

7 Registrar & Chief Executive's Incentive Payment 2018 and Salary for 2019

Incentive Payment



Following a discussion under item 6 of the agenda, the Committee was confident that the Registrar & Chief Executive had performed well and delivered a heavy work load during 2018. Therefore, an incentive payment of 4% was agreed, consistent with the amount awarded to staff.

Salary for 2019

The Committee discussed the 2018 Independent External Benchmark report. The Committee agreed that given the performance of the Registrar & Chief Executive that they needed to take the salary closer to 102% of the median (in accordance with ARB's pay policy).

However, for 2019 the Committee agreed to bring the Registrar's salary up to the lower quartile of the benchmarking as an interim step, which was approximately 2.7%, with effect from the 1 December 2018. It was acknowledged that the Committee needed to do further work to ensure the Registrar's salary is brought up to the 102% of the median going forward to reflect her performance.

It was agreed that the Registrar & Chief Executive should receive a 1.5% pay award in from January 2019 to ensure that the salary didn't fall further behind than the market median.

8 Draft Remuneration Committee Annual Report

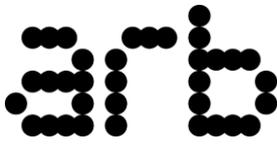
The Registrar informed the Committee that a draft was underway and would be circulated to the Committee in due course.

9 Board member, Committee member, Panel member and Adviser Attendance Allowance and Travel and Subsistence Policy

The Committee discussed the paper, and revised policy, and agreed to recommend to the Board that:

- i. The half day rate be increased from £187.00 to £187.50 for administrative purposes
- ii. The hourly reading rate for the members of the Professional Conduct Committee be removed
- iii. Guidance for when carers allowance may be able to be claimed be included
- iv. A requirement for any overseas air travel over £200 to be agreed in advance be included
- v. A reference to exchange rates for claims be made

The Committee also agreed to recommend some other minor amendments to the policy, including the exclusion of gratuity paid when claiming for a taxi.



10 ARB Staff Redundancy Policy

The Audit Committee had requested that a comparison between ARB's staff redundancy policy and that of the MHCLG's be undertaken to establish the rationale for why redundancy pay was offered after fifteen months as opposed to the statutory time period which is 24 months. The Registrar & Chief Executive provided a memorandum detailing the decision made in 2010 to adopt this approach. It was noted that the Audit Committee in 2010 had agreed that as a responsible employer ARB should have in place set redundancy terms above the statutory requirements. In response to this memorandum, the Remuneration Committee were of the view that no further information was required and that the policy should remain in place.

11 Rolling Programme of work for 2019

The Committee noted the Business Plan and work programme for 2019. The Committee added that a review of the pay policy was appropriate and this should be undertaken in 2019.